THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHEES RAM OLA): (a) and (b) Yes, Sir.

(c) The first agreement signed in 1986 between the Hindustan Fertilizer Corporation Ltd. (HFC) and Hindustan Lever Ltd. (HLL) provided for payment of handling charges to HFC at the rate of Rs. 579 per MT. This has since been revised to Rs. 778 per MT as per the current agreement.

(d) The agreement provides for a 40% rebate on the quantities handled in excess of 38000MT per annum so as to attract additional tonnage for handling with a view to optimising the utilisation of idle manpower and infrastructural facilities of Haldia fertilizer project of HFC and supplementing its income generation.

Change in the feedstock policy of fertilizers

4455. SHRI V. RAJESHWAR RAO: Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) whether there has been a drastic change in the feedstock policy for fertilizers; if so, the details thereof;

(b) the effects of this change in policy; and

(c) the steps being taken to ensure adequate supply?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS. (SHRI SHEES RAM OLA): (a) to (c) As the demand for natural gas from different sectors of the economy has out-stripped the supply, it is no longer possible to cover the incremental demand of the fertilizer sector through gas linkages. In view of the constraints in the availability of the natural gas, new capacities are increasingly being based on naphtha. The existing gas based plants as well as new projects have been encouraged to incorporate the facilities for use of alternative fuel/feedstock so as to acquire greater flexibility of operation.

The use of naphtha as feedstock results in higher capital and operating costs. The indigenous availability of naphtha, which is quite adequate for the present requirements, can be supplmented by imports, if required.

Fixation of charges for secondary movement of fertilizers

4456. SHRI VIRENDRA KATARIA; Will the Minister of CHEMICALS & FERTILIZERS be pleased to state;

(a) when the charges for secondary movement of fertilizers was fixed with the details thereof;

(b) whether Government have any proposal to revise it; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHEES RAM OLA) (a) A Statement giving State-wise charges for secondary movement of fertilizers and the dates from which they have been effective is attached. (*See* below).

(b) and (c) There is a proposal to revise these rates. The proposal also envisages a mechanism for revision of these rates on regular basis.